State of Maine

Community Development Block Grant Program

2012 Proposed Statement



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2012 PROGRAM STATEMENT 19-498 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT CHAPTER 40 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

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The Office of Community Development reserves the right to fund only those applications deemed to be in the best interest of, and that offer definable benefits to, the State of Maine and the Community Development Block Grant Program. Applications will not be funded out of rank order except in instances where a preceding application is deemed ineligible or is withdrawn by the applicant.

19-498 CMR DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT CHAPTER 40 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM 2012 PROGRAM STATEMENT

SUMMARY

This Program Statement describes the method by which 2012 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A 13073. The 2012 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a forum with program constituents, 4 state-wide public forums conducted jointly with MaineHousing and a comprehensive assessment of statewide community and economic development needs. In accordance with the Maine Administrative Procedures Act, DECD will hold a public hearing regarding the development of this Program Statement on October 14, 2011.

SECTION 1. PROGRAM OVERVIEW

A. CDBG OBJECTIVES

All CDBG funded activities must meet one of three National Objectives of the program. These objectives are:

- Benefit to low and moderate income persons;
- Prevention and elimination of slum and blight conditions; and
- Meeting community development needs having a particular urgency.

The Maine CDBG Program serves as a catalyst for local governments to implement programs which meet one of the three National Objectives, and:

- Are part of a long-range community strategy;
- Improve deteriorated residential and business districts and local economic conditions;
- Provide the conditions and incentives for further public and private investments;
- Foster partnerships between groups of municipalities, state and federal entities, multi-jurisdictional organizations, and the private sector to address common community and economic development problems; and
- Minimize development sprawl consistent with the State of Maine Growth Management Act and support the revitalization of downtown areas.

B. METHOD OF DISTRIBUTION

DECD, through the Office of Community Development (OCD), offers programs to assist municipalities to achieve their community and economic development objectives. The 2012 Program Statement provides a description of the selection criteria that OCD will use to allocate CDBG funds among communities. Programs are grouped under the four broad categories listed below.

1. Community Development

- a. Housing Assistance Grants
- b. Home Repair Network
- c. Critical Access Ramp Program
- d. Development Fund Housing Loans
- e. Public Infrastructure Grants
- f. Public Facilities Grants
- g. Public Service Grants
- h. Downtown Revitalization Grants
- i. Maine Downtown Center Assistance
- j. Urgent Need Grants

2. Economic Development

- a. Grants to Municipalities for Direct Business Support
- b. Development Fund Loans
- c. Community Enterprise Grants
- d. Section 108 Loan Program (Contingent upon HUD approval)

3. Planning

a. Community Planning Grants

4. Special Projects

- a. Special Projects Matching Fund
- b. Technical Assistance

C. STATE ADMINISTRATION

- 1. General Administration Allocation: Pursuant to Section 106(d) (3) (A) of the Housing and Community Development Act of 1974, as amended (the Act), the DECD will utilize \$100,000 plus 2% of its allotment from the Department of Housing and Urban Development (HUD) to administer Maine's CDBG Program in accordance with Federal and State requirements.
- 2. Technical Assistance Administration Allocation: Pursuant to Section 106(d) (5) of the Act, DECD will utilize 1% of its allotment from HUD to provide technical assistance with Federal and State requirements.

D. EXCLUSION OF ENTITLEMENT COMMUNITIES AND COUNTIES

The entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island, are not eligible to receive State CDBG program funds.

E. NOTICE - GRANT ADMINISTRATION REQUIREMENT

Communities must employ a certified CDBG Grant Administrator and in the case of Housing Rehabilitation a qualified Rehabilitation Technician (as employees or consultants). The Office of Community Development must approve waivers of this requirement in writing. All planning activities including Community Planning Grants are exempt from this requirement.

F. PROGRAM TIMEFRAME

Application deadlines – All applications and Letters of Intent must be received at the physical location of the Office of Community Development by 4:00PM EST on the dates listed below. *Faxed or e-mailed copies will not be accepted.*

Program	Letter of Intent Due Date (All dates are "on or before")	Application Due Date
Public Facilities	January 20, 2012	March 10, 2012
Public Infrastructure	January 20, 2012	March 10, 2012
Economic Development	1 st Friday of Every Month	By Invitation Only
Downtown Revitalization	February 10, 2012	March 30, 2012
Community Enterprise	February 10, 2012	March 30, 2012
Housing Assistance	March 16, 2012	May 4, 2012
Public Service	April 13, 2012	June 8, 2012
Community Planning	N/A	N/A
Urgent Need	N/A	N/A
Special Projects Matching Fund	N/A	Open – by invitation only
Development Fund * **	1 st Friday of Every Month	Open

^{*} Includes Development Fund Housing Loan Program

^{**} If the first Friday of the month falls on a holiday the BA, DF and DFHL application will be due by 4:00pm on the next business day.

PROPOSED 2012 PROGRAM BUDGET (Exact amount determined by final Federal budget)

FY 2012 Proposed CDBG Budget Administration Technical Assistance Administration Regional Council Technical Assistance	\$ 9,427,331 288,547 94,272 245,000
Special Projects Matching Fund	24,512
 Housing Assistance Grants Home Repair Network Program Critical Access Ramp Program Public Infrastructure Grants Public Facilities Grants Public Service Grants Downtown Revitalization Grants Maine Downtown Center Urgent Need Grants 	1,200,000 1,500,000 200,000 2,000,000 900,000 150,000 500,000 175,000
10.Economic Development Program	
Business Assistance Grants Community Enterprise Grants TOTAL 2012 CDBG PROGRAM FUNDS(final amount determined by HUD)	1,400,000 750,000 9,427,331
Additional available funds Development Fund Loans ** 2011 CDBG ED funds still available (as of 9/1/11) TOTAL Economic Development Funds Available 9/1/2011-12/31/2012	1,000,000* 1,600,000** 4,750,000

^{*} The Development Fund Program and the Housing Development Fund Program will utilize only repayments from prior DF loans to fund future DF Program applications. This balance fluctuates due to repayments and loans made, it is not included in the proposed 2012 CDBG Budget of \$9,427,331.

10. Community Planning

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Should additional funds become available the OCD may entertain applications for eligible planning projects.

^{**} This figure represents the approximate available balance as of September 1, 2011. This figure could be less as applications continue to be reviewed and funded.

H. THRESHOLD CRITERIA AND REGULATIONS FOR THE CDBG PROGRAM

The following state and federal regulations APPLY TO ALL PROGRAMS

1. Federal and State Certification for Local Governments:

All communities applying for CDBG funds must certify that they will:

- Minimize displacement and adhere to a locally adopted displacement policy in compliance with section 104(d) of the Act;
- Take action to affirmatively further fair housing and comply with the provisions of Civil Rights Acts of 1964 and 1968;
- Not attempt to recover certain capital costs of improvements funded in whole or in part with CDBG funds;
- Establish a community development plan;
- Meet all required State and Federal public participation requirements;
- Comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;
- With the exception of administrative or personnel costs, verify that no person
 who is an employee, agent, consultant, officer, elected officer, or appointed
 official of State or local government or of any designated public agencies, or
 sub-recipients which are receiving CDBG funding may obtain a financial
 interest or benefit, have an interest in or benefit from the activity, or have an
 interest in any contract, subcontract, or agreement with respect to CDBG
 activities;
- Any person or firm associated with the administration of the CDBG program award is not on the U.S. Department of Labor's Debarred and Suspended Contractor's List; and
- Review the project proposed in the application to ensure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

2. General Requirements:

(a) Prohibition on Multiple Grants: Except for the Economic Development Program (EDP), eligible applicants may not apply for, or benefit from, more than one grant per program category in any grant year. Communities participating in multi-jurisdictional applications may submit their own applications for the same program as long as they demonstrate that there will not be a duplication of program activity/benefit.

(i) Community Enterprise Prohibition - Communities applying for a Community Enterprise (CE) grant may not apply for, receive, or benefit from a Downtown Revitalization (DR) grant in the same program year.

eligible applicant will not directly benefit from the tribal CDBG project.

- (ii) Downtown Revitalization Program Prohibition Communities applying for a Downtown Revitalization (DR) grant may not apply for, receive, or benefit from a Community Enterprise (CE) grant in the same program year.

 (iii) Eligible applicants applying on behalf of a Maine Indian Tribe are permitted to apply in the same 2012 CDBG funding category as long as the
- **(b) Prohibition on Subsequent Year Award:** Except for the Economic Development Program (EDP) and designated Public Infrastructure Grant Program (PI) activities, units of general local government and Unorganized Territory that benefited from a 2011 award may not apply again in that specific program until the 2013 program. PI grantees in Activity Group Number 1, as listed in Section 2. E. 3. (a) (1) on Page 25 of this Statement may apply for grants in consecutive years to complete the same project.
- (c) Special Prohibition for Housing Assistance (HA) Grantees: Communities may not submit a HA application if they have received or benefited from two (2) HA awards (rehabilitation, innovative or a combination) within the five (5) year period prior to the CDBG program year for which applications are being accepted.
- (d) Special Prohibition for Downtown Revitalization (DR) Grantees: Communities may not submit a DR application if they have received or benefited from two (2) DR awards within the five (5) year period prior to the CDBG program year for which applications are being accepted. Applications for multi-jurisdictional Downtown Revitalization projects will only be eligible if the downtowns are contiguous and each meets the definition of a downtown as defined in PL 776.
- **(e)** Restriction of Grant Awards: OCD may deny or restrict the award of grants to communities with outstanding audit(s), monitoring findings, or a record of administrative misconduct.
- (f) Past Performance: In order to be eligible to apply for a 2012 Community Development Block Grant program, communities that received CDBG grants in or prior to 2008 must have finally closed out their grants prior to application due date. Communities that received CDBG grants in 2009 must have conditionally closed their grants prior to application due date. Communities that received CDBG grants in 2010 must have expended 50% of their benefit activity funds prior to application due date. Communities that received 2011 CDBG grants must be under contract with DECD. All Past Performance Criteria will be strictly enforced; however these criteria may be waived for just cause by the OCD in the case of applicants having existing Economic Development program awards where job creation benefit has not been met. Waivers will not be considered for those projects which exceed the final contracted date for job creation by more than 12 months.

- (i) Special Housing Assistance Grant Program (HA) Past Performance Requirement Communities are not eligible to apply for a HA grant unless all prior HA grants are 100% expended and conditionally closed out. 100% expended also requires that no HA funds exist in the housing escrow account.
- **(g) Grant Termination:** OCD will terminate a community's grant if progress on the project is not apparent within 6 months, or 3 months in the case of Community Planning Grants from the date of contract signing. The Office of Community Development may grant waivers for cause.
- **(h) Eligible Activities:** Applications will be reviewed to determine that the activities proposed are eligible under Section 105(a) of the Act. Ineligible activities will not be considered.
- (i) Project Benefit: Letters of Intent and/or required documentation for all programs will be reviewed to verify that the proposed activities meet at least one of the CDBG Program national objectives pursuant to section 104(b) 3 of the Act. If the activity does not meet a national objective the application will not be considered for funding and will be returned to the applicant.
- (j) Repayment of Grant Funds: Recipients must repay on demand to the State of Maine all funds expended if CDBG program benefits are not achieved as specified in their contract with the DECD.
- (k) Changes in Title 30-A, Subsection 4349-A as amended by PL 776: Significant changes were made to the "Growth Management Act" by the 119th Legislature that effect the award of CDBG grants after January 1, 2001. OCD will provide information separate from the Program Statement outlining these changes and their impact on the award of CDBG grants for "growth related capital investments" as defined in the statute.
- (I) Preference for Communities: In accordance with MRSA Title 30-A subsection 4349-A (3), OCD is required to give preference in the award of grants to capital investments defined as "growth related" in subsection 4301(5-B) to communities with certified growth management programs or that have adopted a comprehensive plan and implementation strategy consistent with the goals and guidelines of the subchapter. A municipality that does not obtain a certificate or finding of consistency within 4 years after receipt of the first installment of a financial assistance grant or rejection of an offer of financial assistance will receive a low priority.

3. Eligible Applicants:

All units of general local government in Maine, including plantations, except for the entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are eligible to apply for and receive State CDBG program funds. County governments may apply on behalf of the Unorganized Territory. Groups of local governments may apply for multi-jurisdictional or joint projects. Multi-jurisdictional applications require designation of one local government as the lead applicant and consent for that designation by each participating

local government. Counties may apply for the Economic Development or Public Service programs on behalf of a collaboration of communities. Eligible applicants, including counties as defined above may apply for CDBG assistance on behalf of the five Maine Indian Tribes. Maine Indian Tribes are not themselves eligible applicants.

4. Application Threshold Requirements:

Incomplete and/or non-conforming applications which do not meet the specifications set forth in the 2012 Program Statement and 2012 CDBG Application Packages will be removed from the scoring process during the threshold review.

5. Financial Commitments as a Threshold Requirement:

Applications for projects not demonstrating a firm financial commitment as required in the application materials will be removed from the scoring process during the threshold review.

6. Scoring of Applications:

Applicants will be placed in rank order from highest to lowest according to the final scores determined by the OCD Review Team. All program applications with the exception of the Special Project Matching Fund, Urgent Need Grants, Home Repair Network, Maine Downtown Center and Critical Access Ramp Program will be scored on a 100-point maximum scoring basis with allowance for bonus points where applicable. Final scores will be determined by averaging the scores assigned by members of the Review Team and adding any applicable community evaluation factors and bonus point totals. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow. In the event of a tie in any CDBG program scoring process, first consideration will be given to the community that is listed as a Service Center; if both applicants meet this definition, the tie will be broken based on the highest Community Evaluation Factor. An invitation into the Project Development Phase is not a guarantee of funding or permission to obligate funds. Successful communities will receive an amount determined by the OCD for their project.

(a) Community Evaluation Factor: A pre-determined community evaluation factor with a maximum point total of 20 will be added to the average review team score for each application for the Public Infrastructure, Public Facilities and Economic Development grant programs to determine the final score. The Community Evaluation Factor will be based on pre-determined criteria established by an independent authority for each community in Maine and is contained in this 2012 Proposed Program Statement.

7. Minimum Score for CDBG Applications to be Considered for Funding:

Except for the Development Fund Housing Loan Program (DFHL) there is no minimum score for CDBG applications to be considered for funding.

8. Project Development Phase:

(a) Project Planning: Details of the project including pre-engineering, inspections, cost analysis, feasibility, and/or market studies.

- **(b) Management Plan:** Details of the structure and methods established by the community for program management.
- **(c) Regulations:** Project Development Phase applications will be reviewed for compliance with State and Federal regulations.
- **(d) Project Eligibility:** Verification that proposed activities are eligible under The Act.
- **(e) Project Benefit:** Verification that proposed activities meet one of the CDBG Program National Objectives.
- **(f) Environmental Review:** Review of project for compliance with State and Federal Environmental Regulations.
- **(g) Project Development Phase Requirement:** All communities receiving a CDBG program grant award must complete the project development phase materials as outlined in the Maine CDBG Program materials and handbooks.

9. Project Development Phase Timeframe for Completion and OCD Assistance:

The goal of the Project Development Phase is a grant contract for CDBG funds. An OCD Development Program Manager will be assigned to work closely with each community to finalize their project. OCD will rescind the CDBG program award offer if the community is not under contract within six months of the date of the award offer and invitation into the project development phase process. For the Community Planning Grant and Economic Development programs OCD will rescind the CDBG program award offer if the community is not under contract within three months of the date of the award offer and invitation into the project development phase process. The Office of Community Development may grant waivers for just cause.

A. HOUSING ASSISTANCE GRANT PROGRAM

The Housing Assistance Grant (HA) Program provides funding to address housing problems of low-and moderate-income persons.

- 1. Special Threshold Criteria and Program Requirements: Housing Assistance Program (HA) funds will be distributed through an annual grant application selection process.
 - (a) Special Threshold Requirement for Housing Assistance
 Applications: Communities may not submit a HA application if they
 have received or benefited from two HA awards within the five (5) year
 period prior to the CDBG program year for which applications are
 being accepted.
 - (b) Eligible Housing Assistance Activities: Eligible HA activities are rehabilitation of occupied or vacant single-family or multi-family housing units, same site replacement housing, relocation assistance, acquisition, alternative housing, energy conservation, code enforcement, conversion of non-residential structures, demolition, down payment assistance, first time homebuyer's programs, lead based paint removal, new housing construction as allowed by HUD regulations, provision of potable water or sewer, removal of architectural barriers and eligible planning activities necessary to complete the Project Development Phase. Except for general housing rehabilitation activities and well and septic replacement no multi-jurisdictional applications will be accepted in the HA program.
 - (c) Matching Funds Requirements: Applicants for housing activities must provide a match (cash or in-kind) of at least 10 percent of the total HA grant award; except for eligible new housing construction activities which must provide a cash match of at least 20 percent of the total HA grant award.
 - (d) Maximum HA Grant Amount: \$300,000
 - (e) Maximum Housing Assistance Program Per-Unit Costs: The amount of rehabilitation grants or loans available to participants in the HA Program will be no more than \$30,000 per unit. Additional funds, up to a maximum of \$10,000 may be available in the following cases: replacement housing, Life Safety Code violations, foundation work, inadequate sewage disposal, lack of potable water, removal of lead-based paint, asbestos, radon, or other hazardous material, and accessibility modifications. Except for acquisition and/or relocation, all other eligible activities under the HA Program are limited to a maximum of

- \$40,000 per unit assisted/created. Maximum per-unit costs for any housing activity may only be waived by written approval from the Office of Community Development. **Public infrastructure is not an eligible HA expense.**
- (f) Maximum Administrative Costs: The HA Program allows expenditures for general and/or rehabilitation administration. The total general and rehabilitation administration expenditures may not exceed 15% of the grant amount. Please refer to OCD Policy Statement #2 for more information regarding CDBG administrative costs.
- (g) Section 8 Housing Quality Standards: All units assisted or created with HA funds, with the exception of emergency repairs and energy conservation must, at a minimum, meet HUD Section 8 Minimum Housing Quality Standards. This does not apply to projects undertaken to correct specific health and safety issues only, i.e. wells, septic, heating units, removal of hazardous materials, etc.
- (h) Minimum Percentage of LMI Units in New Housing Construction: A minimum 20% of new units created using HA funding must be reserved for LMI families. In addition, the minimum required percentage of new units reserved for LMI families must be proportional to the percentage of HA funding provided towards the total project cost.
- (i) Administrative Capabilities for Housing Rehabilitation Applicants: Applicants for HA assistance must demonstrate at the time of submitting the Letter of Intent that they have the capacity to administer the program either through municipal staff that is a qualified CDBG Rehabilitation Technician; or have completed a procurement process under the guidelines of the CDBG program (24 CFR Part 85) to hire a qualified CDBG Rehabilitation Technician subject to award of a HA contract.
- **2. Selection Process:** The selection process for all HA applications will consist of three phases; a letter of intent, an application phase and a project development phase.
 - (a) Letter of Intent: All communities wishing to submit a HA application must submit a Letter of Intent to OCD on or before March 16, 2012 according to the requirements set forth in the 2012 Housing Assistance Application Package.
 - **(b)** Application: The maximum length of an application is **four pages**, **not counting required attachments**. The application deadline for the HA Program is 4:00PM on May 4, 2012. Each application will be rated in relation to all others in a three-stage process.

<u>Stage 1: Review Team Analysis</u> – Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

(i) <u>Impact</u> (40 points):

- *A description of the specific housing problems to be addressed with HA funds 15 points
- *How the problems were identified 10 points
- *How these issues affect LMI persons in the community or region 15 points

(ii) <u>Development Strategy</u> (40 points):

- *A description of the plan proposed to implement the housing project 15 points
- *How emphasis will be placed on a community based approach using collaborative efforts 10 points
- *Summary of the activities and use of HA funds –15 points

(iii) Citizen Participation (20 points):

- *How overall citizen participation process directly relates to identification of solution strategies and application development 4 points
- *Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation 4 points
- *Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development 4 points
- *Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process 4 points

How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

<u>Stage 2: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

B. HOME REPAIR NETWORK PROGRAM (Limited to the City of Rockland)

The Home Repair Network Program (HRN) provides funding to address housing problems of low- and moderate-income persons by combining CDBG funding with the Maine State Housing Authority and the United States Department of Agriculture Rural Development Program funding. This program will provide housing rehabilitation services administered on a regional basis throughout Maine, except as stated in 1 (b) below.

1. Special Threshold Criteria and Certifications: HRN Program funds will be distributed through a set aside of CDBG funds provided to the City of Rockland as the lead community. The lead community will establish a legally binding contract with each of the participating Maine Community Action Agencies or other approved entity identified for the Home Repair Network delivery system as approved by OCD.

(a) Eligible Activities:

(i) Eligible activities under the HRN Program are rehabilitation of occupied or vacant single-family or multi-family housing units, demolition, same site replacement housing, provision of potable water and sewer, removal of lead-based paint, asbestos, radon, or other hazardous material, removal of architectural barriers, and relocation assistance.

(b) Housing units ineligible for Home Repair Network assistance:

(i) Housing units located in communities that have current CDBG Housing Rehabilitation programs or the entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are not eligible for financial assistance under the HRN program.

2. Special Program Requirements:

- (a) Maximum HRN Grant Amount: \$1,500,000, allocations to each of the established regions will be determined by the Office of Community Development.
- **(b) Maximum Home Repair Network Program Costs:** The amount of grants or loans available to participants in the HRN Program will be no more than \$30,000 per unit. Additional funds, up to a maximum of \$10,000 may be available in the following cases: replacement housing, Life Safety Code violations, foundation work, inadequate sewage disposal, lack of potable water, removal of lead-based paint, asbestos, radon or other hazardous material, and accessibility modifications. The maximum of \$40,000 may only be exceeded by written approval from the Office of Community Development.
- **(c) Maximum Administrative Costs:** The HRN Program allows expenditures for general and rehabilitation administration. The total general and rehabilitation administration expenditures may not exceed 15% of the

grant amount. The City of Rockland is allowed a maximum of \$5,000 in administrative funding.

(d) Section 8 Housing Quality Standards: All units assisted or created with HRN funds must, at a minimum, meet HUD Section 8 Minimum Housing Quality Standards. This does not apply to projects undertaken to correct specific health and safety issues only, i.e. wells, septic, heating units, removal of hazardous materials, energy conservation etc. In addition, all units must comply with other applicable standards included in the HRN contract.

C. CRITICAL ACCESS RAMP PROGRAM (Limited to the Town of Fort Fairfield)

The Critical Access Ramp Program (CARP) provides funding to address accessibility problems of low- and moderate-income disabled persons through a partnership with Alpha One. This program will provide moveable, reusable ramps administered on a regional basis throughout Maine, except as stated in 1 (b) below.

1. Special Threshold Criteria and Certifications: CARP funds will be distributed through a set aside of CDBG funds provided to the Town of Fort Fairfield as the lead community. The lead community will establish a legally binding contract with Alpha One as approved by OCD.

(a) Eligible Activities:

(i) Eligible activities under the CARP are construction and installation of moveable, reusable ramps and other modifications to assure proper access at the residences of disabled low-to-moderate income persons.

(b) Housing units ineligible for CARP Assistance:

(i) Housing units located in the entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are not eligible for financial assistance under the CARP.

3. Special Program Requirements:

- (a) Maximum CARP Grant Amount: \$200,000.
- **(b) Maximum Administrative Costs:** The CARP allows expenditures for general and rehabilitation administration. The total general and rehabilitation administration expenditures may not exceed 15% of the grant amount. The Town of Fort Fairfield is allowed a maximum of \$3,000 in administrative funding.

D. DEVELOPMENT FUND HOUSING LOAN PROGRAM

The Development Fund Housing Loan program (DFHL) provides funding for communities forming partnerships with local non-profit housing development organizations to carry out activities leading to the development of affordable housing opportunities for low-to-moderate income (LMI) persons.

- **1. Special Threshold Criteria and Requirements:** DFHL program funds will be distributed through a monthly grant submission and review process
 - **(a) Eligible Activities:** Eligible activities in the DFHL are acquisition, demolition, site work, reconstruction, renovations, public infrastructure and funding mechanisms directly related to the creation of affordable housing opportunities for LMI persons.
 - **(b) Match:** All communities applying for DFHL funds must demonstrate they will provide a match of <u>at least 10% of the total CDBG grant award.</u> This must be reflected on the Matching Funds Table contained DFHL application package. Firm letters of commitment for all cash matching funds must be attached to the table. This match may consist of all non-CDBG loans, grants, endowments and in kind contributions contributed to the project.
 - (c) Maximum DFHL Grant Amount: \$300,000
 - **(d) Project Implementation:** Implementation of all project activities must be carried out by a non-profit development organization that has established a contractual relationship with the applicant community.
 - (e) Bona-fide Non-Profit Housing Development Organization: DFHL activities may only be carried out by bona-fide non-profit housing development organizations that meet the Internal Revenue Service definition as a non-profit and include but are not limited to: Neighborhood-Based Non-Profit Organizations, Local Development Corporations, SBA Section 504 Certified Development Companies, Small Business Investment Companies organized under 15 USC Section 681 and Community Action Agencies. Final determination on the bona-fide status of Non-Profit Housing Development Organizations as eligible participants in the DFHL program will be solely up to OCD.
 - (f) Site Control of DFHL Project Site: The non-profit housing development organization must have site control of the site on which all DFHL activities will take place.
 - **(g) Demonstration of National Objective:** Applicants must document at the time of application that the project meets the National Objective of benefiting low-to-moderate income (LMI) persons.

- 2. Special Program Requirements for Grants to Municipalities then Loaned to an Identified Non-Profit Housing Developer:
 - (a) Loan: The DFHL is a grant to the unit of general local government. The recipient must use the funds as a loan to the identified non-profit housing development organization. The loan must be provided under the terms stated in a DFHL Program Letter of Commitment and the contract between the DECD, the community and the non-profit housing development organization.
 - (b) Repayment Terms: Justification for the repayment terms relate to filling the financing gap, identifying the rate of return allowed through the repayment terms, or specifying the cost differentiations and the benefit derived from the assistance and must be approved by the OCD. The interest rate for DFHL funds is up to 3% for a term not to exceed 40 years. The Office of Community Development, at it's discretion, may waive the repayment terms once the LMI benefit has been documented.
- **3. Selection Process:** The selection process will consist of two phases an application phase and a project development phase.
 - (a) Application: The DFHL Application deadline is the first Friday of every month by 4:00 p.m. If that day is a recognized State Holiday the due date would then be the following regular business day by 4:00 p.m.

The OCD review team will rate each application in relation to all others. In addition each application will undergo a threshold financial underwriting review by the OCD independent council.

- **(b) Rating Criteria:** The following rating criteria will apply to all DFHL applications:
 - (i) Documentation of bona-fide status for Non-Profit Housing Development Organization carrying out DFHL activities. This documentation must clearly demonstrate the Non-Profit Housing Development Organization meets the requirements set forth in the DFHL application package: **10 points**
 - (ii) Verification of site control of DFHL project site by Non-Profit Housing Development Organization. Applicant must submit copy of deed, purchase and sales agreement, etc.: **10 points**
 - (iii) Applicants must submit a maximum <u>2-page</u> Project Summary of all activities to be funded with DFHL and matching funds. In addition to the summary the applicant <u>must</u> submit a photo of the project site (arial, etc) and/or a detailed project drawing or map: **25 points**

- (iv) Verification that the DFHL project meets the National Objective of benefiting low-to-moderate income (LMI) persons: **10 points**
- (v) Applicants must submit a maximum <u>2-page</u> assurance that DFHL activities will be <u>completed within 18 months</u> of CDBG contract award; including a summary of any financial, permitting, political, environmental or contracting concerns which could delay the project. In addition to the summary the applicant <u>must</u> submit professionally produced cost estimates: **25 points**
- (vi) Applicants must submit the Budget Summary and Matching Funds table with letters of commitment demonstrating that the project is fully funded and ready to proceed: **15 points**
- (vii) DFHL applications supporting project activities taking place in a designated downtown area shall receive a bonus of **5 points**. The applicant must submit written documentation of consisting of either an adopted comprehensive plan or downtown plan making this designation.
- **(c) Application Approval:** A minimum Final Rating of 75 points will be required for an application to be considered for funding. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

E. PUBLIC FACILITIES GRANT PROGRAM

The Public Facilities Grant (PF) Program provides gap funding for local public facility activities, which are part of a community development strategy leading to future public and private investments.

- **1. Special Threshold Criteria and Certifications:** PF Program funds will be distributed through an annual grant submission and review process
 - (a) Eligible Activities: Eligible activities in the PF program are construction, acquisition, reconstruction, rehabilitation, site clearance, historic preservation, and relocation assistance <u>associated with</u> public facilities projects; eligible planning activities necessary to complete the Project Development Phase.
 - **(b) Match:** All communities applying for PF funds must certify that they will provide a cash match of at least <u>25 percent of the total grant award</u>. This match may consist of all non-CDBG loans, grants, endowments, etc contributed to the project.

2. Program Activities:

Activity Breakdown: Applicants may apply for one or more activities within a specific activity group. Applicants cannot mix activities from different activity groups in an application.

4. Special Program Requirements:

(a) Maximum PF Grant Amounts

Activity Group Numbers	Maximum Amount
1) Fire Stations	\$300,000
2) Community, child, senior, and health centers, librar sheltered workshops, homeless shelters, pier/wharf	ries \$300,000
3) Removal of architectural barriers (as a distinct, stand-alone project)	\$300,000
4) Historic preservation (as a distinct, stand-alone project)	\$300,000
5) Fire fighting equipment, salt/sand storage shed transfer station, parks and recreation facilities, public works garages.	\$ 50,000

(b) Funding Restrictions: PF may not be used for the purpose of job creation/retention or housing activities.

- (c) Demonstration of National Objective: Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater low/moderate income persons or 2) preventing or eliminating slum or blighting conditions. Census information, a certified target area survey, or an officially adopted declaration of slum/blight conditions conforming to the requirements of MRSA Title 30-A, Chapter 205, 5202 and HUD must be submitted to OCD. For spot blight activities documentation must be submitted to OCD substantiating the condition of the structure as "blighted." These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD on or before 4:00pm on Friday January 20, 2012.
- (d) Requirement for Applications for Removal of Architectural Barriers as a Stand Alone Project: Communities seeking to assist any existing facility utilized for the conduct of general local government must be a 51% or more low-to-moderate income community.
- **(e) Priority for Public Facilities Projects:** Regional Service Centers and Contiguous Census Designated Places and Compact Urban Areas Designated as Regional Service Centers and activities supporting the revitalization of downtown areas will be given priority during the evaluation and selection process for awarding PF program funds. Lists of all service center communities are available from the State Planning Office or OCD.
- **4. Selection Process:** The selection process will consist of three phases: a letter of intent, an application phase and a project development phase.
 - (a) Letter of Intent and Verification of CDBG National Objective: All communities wishing to submit a PF application must submit a Letter of Intent and Verification of CDBG National Objective to OCD on or before 4:00PM on Friday January 20, 2012 according to the requirements set forth in the 2012 PF application package.
 - **(b) Application:** The application deadline for the PF Program is 4:00PM on March 10, 2012. Each application will be rated in relation to all others in a three-stage process.
 - <u>Stage 1: Review Team Analysis</u> Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 80 points is obtainable.
 - (i) <u>Impact</u> (30 points):
 - *A description of the why the project is necessary 6 points *Conditions warranting new construction or renovations, including health and safety concerns– 8 points

- *How these conditions affect LMI persons in the community or region 8 points
- *Size and make up of user base of facility 4 points
- *Why PF funds are necessary for project 4 points

(ii) <u>Development Strategy</u> (30 points):

- *A description of the new or renovated facility, including size, design factors, alleviation of health and safety factors, utilities and location 6 points
- *Specific use of PF funds 6 points
- *Positive effect on LMI persons 6 points
- *Project timeline, details of engineering or architectural work completed to date, proposed date for start of construction, tasks remaining prior to project implementation, final commitment of other funds and how PF funds will be expended within a 12 month period 12 points

(iii) <u>Citizen Participation</u> (20 points):

- *How overall citizen participation process directly relates to identification of solution strategies and application development 4 points
- *Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation 4 points
- *Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development 4 points

Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 4 points

How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

<u>Stage 2: Community Evaluation Factor</u> – A Community Evaluation Factor with a maximum point total of 20 has been pre-determined by an independent authority for each community in Maine and is published in the 2012 Proposed Program Statement.

<u>Stage 3: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team added to the predetermined Community Evaluation Factor. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development phase as funds allow.

F. PUBLIC INFRASTRUCTURE GRANT PROGRAM

The Public Infrastructure Grant (PI) Program provides gap funding for local infrastructure activities, which are part of a community development strategy leading to future public and private investments.

- **1. Special Threshold Criteria and Certifications:** PI Program funds will be distributed through an annual grant application submission and review process.
 - (a) Eligible Activities: Eligible activities in the PI Program are construction, acquisition, reconstruction, installation, relocation assistance <u>associated</u> <u>with</u> public infrastructure, and public infrastructure limited to supporting construction of fully-funded affordable LMI housing; eligible planning activities necessary to complete the Project Development Phase.
 - **(b) Match:** All communities applying for PI funds must certify that they will provide a cash match of at least <u>25 percent of the total grant award</u>. This match may consist of all non-CDBG loans, grants, etc contributed to the project.

2. Program Activities:

Activity Breakdown: Applicants may apply for one or more activities within a specific activity group. Applicants cannot mix activities from different activity groups in an application.

3. Special Program Requirements:

(a) Maximum PI Grant Amounts

Activity Group Numbers

Maximum Amount

\$500,000

- 1) Water system installation/improvements, sewer system installation/improvements, water/sewer system hookups, storm drainage, utility infrastructure, dams with the main purpose of providing the primary water storage facility for an active water district or municipal system. (Road or street reconstruction is not eligible)
- 2) Infrastructure in support of new LMI affordable fully \$500,000 financed housing
- 3) Streets and roads, parking, curbs, gutters \$100,000
- **(b) Funding Restrictions:** PI funds may not be used to assist infrastructure for the purpose of job creation/retention. Job creation/ retention infrastructure activities are eligible in the Economic Development Program. With the exception of proposals for <u>infrastructure in support of new housing construction and sewer/water system hookups</u>, no housing activities may be assisted with PI funds.

- (c) Demonstration of National Objective: Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater low/moderate income persons or 2) preventing or eliminating slum or blighting conditions. Census information, a certified target area survey, or an officially adopted declaration of slum/blight conditions conforming to the requirements of MRSA Title 30-A, Chapter 205, 5202 and HUD must be submitted to OCD. These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD on or before 4:00pm on Friday January 20, 2012.
- (d) Priority for Public Infrastructure Projects: Regional Service Centers and Contiguous Census Designated Places and Compact Urban Areas Designated as Regional Service Centers and activities supporting the revitalization of downtown areas will be given priority during the evaluation and selection process for awarding PI program funds. Lists of the service center communities are available from the State Planning Office or OCD.
- **4. Selection Process:** The selection process will consist of three phases: a letter of intent, application phase and a project development phase.
 - (a) Letter of Intent and Verification of CDBG National Objective: All communities wishing to submit a PI application must submit a Letter of Intent and Verification of CDBG National Objective to OCD on or before 4:00PM on Friday January 20, 2012 according to the requirements set forth in the 2012 PI application package.
 - **(b) Application:** The application deadline for the PI Program is 4:00PM on March 10, 2012. Each application will be rated in relation to all others in a three-stage process.
 - <u>Stage 1: Review Team Analysis</u> Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 80 points is obtainable.

(i) <u>Impact</u> (30 points):

- *A description of why the project is necessary, previous efforts to address needs, and how the project was prioritized locally 5 points
- *How the infrastructure problems were verified, including studies, testing and record keeping 6 points
- *How the verified health, safety and welfare conditions affect users and others in the community and region 6 points
- *Size and demographic make up of user base and target area of projected infrastructure project 5 points
- *Why PI funds are necessary to fill a funding gap and how match funds will work with PI funds to implement the project 8 points

(ii) <u>Development Strategy</u> (30 points):

- *A description of the proposed infrastructure improvements, including size, capacity, design, utilities and fit with existing systems 6 points
- *Positive impacts on health, safety and welfare of users directly attributable to proposed PI expenditures 6 points
- *Extent of financial benefits to users from reduced rates, rents and other costs. If financial benefits cannot be quantified, identify other short and long term benefits that will be experienced – 6 points
- * Project timeline: list tasks necessary to begin implementation. Identify work already completed, such as engineering, design and final commitment of other funds. Identify when remaining tasks will be completed. Estimate a project completion date and describe why project timeline is feasible 12 points

(iii) <u>Citizen Participation</u> (20 points):

- *How overall citizen participation process directly relates to identification of solution strategies and application development 4 points
- *Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation 4 points
- *Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development 4 points

Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 4 points

How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

<u>Stage 2: Community Evaluation Factor</u> – A Community Evaluation Factor with a maximum point total of 20 has been pre-determined by an independent authority for each community in Maine and published in the 2012 Proposed Program Statement.

<u>Stage 3: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team added to the predetermined Community Evaluation Factor. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

G. PUBLIC SERVICE GRANT PROGRAM

The Public Service Grant (PSG) Program addresses community resource needs by providing funding for operating expenses, equipment, and program materials for public service programs which will benefit low/moderate income (LMI) persons.

- **1. Special Threshold Criteria and Certifications:** PSG Program funds will be distributed through an annual grant application selection process.
 - (a) Eligible Activities: Eligible activities include operating and program material expenses for child care, health care, job training, recreation programs, education programs, public safety services, fair housing activities, senior citizen services, homeless services, drug abuse counseling and treatment, and energy conservation counseling and testing; eligible planning activities necessary to complete the Project Development Phase. Structural changes such as construction, renovation, or rehabilitation are <u>not</u> eligible for PSG funding.
 - **(b) Project Benefit:** Eligible PSG projects must provide benefits to one of the groups of persons listed below:
 - (i) Persons who are members of the following groups that are currently presumed by HUD to meet benefit requirements. The presumption may be challenged if there is substantial evidence the group served by the project is most likely not comprised of principally LMI persons;
 - Abused Children (Does not include "at-risk" youth)
 - Battered Spouses (Does not include all victims of domestic violence)
 - Elderly Persons (62 years +, or 55 years + for housing)
 - Severely Disabled Adults
 - Homeless Persons
 - Illiterate Adults
 - Migrant Farm Workers
 - Persons Living with AIDS; or
 - (ii) Participants in a program where 51% or greater of the persons receiving benefit from PSG activities are determined to be LMI; or
 - (iii) Communities designated as 51% or greater LMI by the 2000 U.S. Census and HUD. The purchase of ambulances and other directly related public safety equipment is allowable. The purchase of fire fighting and law enforcement equipment with PS funds is prohibited.
 - (c) All communities applying for PSG funds must certify that:
 - (i) The public service represents a new service to the community; or a quantifiable increase in the level of an existing service:

- (ii) A <u>cash/in-kind match equivalent of 20 percent</u> of the total grant award will be provided; and,
- (iii) The activity will meet the need **or** will continue after PSG funding is expended.

2. Special Program Requirements:

(a) Maximum PSG Amount: \$50,000

- **3. Selection Process:** The selection process will consist of three phases a letter of intent, an application phase and a project development phase.
 - (a) Letter of Intent: All communities wishing to submit a PSG application must submit a Letter of Intent to OCD on or before April 13, 2012 according to the requirements set forth in the 2012 Public Service Application Package.
 - **(b) Application:** The maximum length of an application is **four pages**, **not counting required attachments**. The application deadline for the PSG program is 4:00PM on June 8, 2012. Each application will be rated in relation to all others in a two-stage process.

<u>Stage 1: Review Team Analysis</u> – Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the four scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

(i) <u>Impact</u> (30 points):

*A description of the scope, magnitude and severity of the identified problems – 8 points

*Past efforts to deal with the identified problems – 4 points

*Conditions requiring a new or expanded service – 5 points

*Issues faced by service providers including capacity, finances and staffing – 6 points

*Why PSG funds are critical for the project - 7 points

(ii) <u>Development Strategy</u> (40 points):

*A description of the new or expanded service, specific use of PSG funds, including how this service will resolve identified problems, and why this service will be more effective than existing services for the targeted beneficiaries – 8 points

*How PS funds will be utilized solely to assist LMI persons or a HUD approved Limited Clientele group – 8 points

*Project timeline, including a start date, tasks completed to date and how PSG funds will be expended in a timely manner – 10 points *Capacity and qualifications of the service provider implementing the project, including familiarity with the needs of project beneficiaries, and the experience of the overall PSG grant administrator – 7 points

*How the public service established or expanded with PSG funding will continue after the PSG funding ends, or there will no longer be a need for these services after the PSG program ends – 7 points

(iii) <u>Project Leverage</u> (10 points):

*Budget Page review – 3 points

*Matching Funds Table review - 3 points

*% which all firm commitments exceed minimum 20%

Up to 15% – 1 points

16% - 30% - 2 points

31% - 50% - 3 points

More than 50% - 4 points

(iv) <u>Citizen Participation</u> (20 points):

*How overall citizen participation process directly relates to identification of solution strategies and application development - 4 points

*Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation – 4 points

*Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development – 4 points

*Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 4 points

*How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

<u>Stage 2: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

H. DOWNTOWN REVITALIZATION GRANT PROGRAM

The Downtown Revitalization Grant (DR) Program provides funds to communities to implement comprehensive, integrated, and innovative solutions to the problems facing their downtown districts. These community revitalization projects must be part of a strategy that targets downtown service and business districts and will lead to future public and private investment. Qualified applicant communities must have a downtown district meeting the definition of PL 776 enacted by the 119th legislature.

- **1. Special Threshold Criteria and Certifications:** DR Program funds will be distributed through an annual grant application selection process.
 - **(a) Eligible activities -** include all those eligible under the Public Facilities, Public Infrastructure, Housing Assistance or Community Enterprise programs as relevant to the revitalization of a downtown district; and eligible planning activities necessary to complete the Project Development Phase.
 - **(b) Multiple Year Award Prohibition -** Communities may not submit a DR application if they have received or benefited from two (2) DR awards within the five (5) year period prior to the CDBG program year for which applications are being accepted.
 - (c) Community Enterprise Program Prohibition Communities applying for a DR grant may not apply for, receive, or benefit from a Community Enterprise Program (CE) grant in the same program year.
 - **(d) Match** All communities applying for DR Program funds must certify that they will provide <u>a cash match equivalent to 25 percent</u> of the total grant award. This match may consist of all non-CDBG loans, grants, endowments, etc. contributed to the project.

2. Special Program Requirements

- (a) Planning Requirements: Applicants must have completed a comprehensive downtown revitalization planning process within the past five years. Communities with plans older than five years must demonstrate that their plans are under active implementation, the action plan remains valid, or have been updated within the past 5 years. The proposed DR activities must be in the plan as recommended actions necessary for downtown revitalization.
- **(b) Maximum DR Award:** \$500,000
 - (i) Bonus Points for Applicants with Maine Downtown Center Designation: Applicants will receive three bonus points if they have been designated as a Main Street Maine Community by the Maine Downtown Center, or one bonus point if they have been designated as a Maine Downtown Network Community.
- **(c) Demonstration of National Objective:** Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater

low/moderate income persons or 2) preventing or eliminating slum or blighting conditions. Census information, a certified target area survey, or an officially adopted declaration of slum/blight conditions conforming to the requirements of MRSA Title 30-A, Chapter 205, 5202 and HUD must be submitted to OCD. These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD on or before 4:00pm on Friday February 10, 2012.

- **3. Selection Process** The selection process will consist of three phases: a letter of intent, an application phase and a project development phase.
 - (a) Letter of Intent and Verification of CDBG National Objective: All communities wishing to submit a DR application must submit a Letter of Intent and Verification of CDBG National Objective to OCD on or before 4:00PM on Friday February 10, 2012 according to the requirements set forth in the 2012 DR application package.
 - **(b) Application:** The maximum length of an application is **six pages**, **not counting required attachments**. The application deadline for the DR Program is 4:00PM on March 30, 2012. Each application will be rated in relation to all others in a three-stage process.

<u>Stage 1: Review Team Analysis</u> – Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the four scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

(i) <u>Impact</u> (30 points):

Describe the scope and magnitude of the problems, and how they are obstacles for revitalizing the downtown. – 8 points

- *Explain how the problems negatively impact the viability of existing downtown businesses, or new development and expansion. 8 points
- *Demonstrate how the problems affect LMI persons, or how they contribute to slum/blight conditions. 7 points
- *Explain why DR funds are necessary for the project, and describe efforts to secure other grant or loan funds. 7 points

(ii) <u>Development of Strategy</u> (40 points):

*Clearly link the proposed DR activities to action steps outlined in your community's Downtown Action Plan, and explain how the project will stimulate economic activity in the downtown. — 10 points

*List the specific activities to be addressed in this downtown revitalization effort, and identify the tasks to be undertaken with DR funds and the activities to be undertaken with each other source of funds. – 10 points

*Define how the proposed DR activities provide a solution to the problems and assist in improving the area's viability, and how the activities will have a positive impact on LMI persons, or on alleviation of the slum/blight conditions. – 10 points

*Describe the capacity and experience of the administrator who will be implementing the project, describe the engineering and design work completed to date, provide a project timeline, and explain how DR funds will be expended in a timely manner. — 10 points

(iii) Project Leverage (10 points):

*Budget Page review - 3 points

*Matching Funds Table review - 3 points

*% which firm cash commitments exceed minimum 25%

Up to 15% – 1 point

16% - 30% - 2 points

31% - 50% - 3 points

More than 50% – 4 points

(iv) <u>Citizen Participation</u> (20 points):

*Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation. – 4 points

*Relevance of listed meeting/hearing comments (not counting required public hearing) and the overall citizen participation process in application and project development. – 4 points

*Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business related organizations in identification of problems and development of the application and project. – 4 points

*Involvement of potential LMI project beneficiaries in development of the application and project, and how the required public hearing relates to the application development and citizen participation process. – 4 points

*How other local resources (cash and in-kind) are directly related to the project, and the establishment of a cash value equivalent for all in-kind commitments. – 4 points

<u>Stage 2: Maine Downtown Center Designation Bonus</u> – 3 bonus points will be assigned to each applicant community designated as a Main Street Maine Community by the Maine Downtown Center, and a 1 bonus point will be awarded to those communities designated as a member of the Maine Downtown Network.

<u>Stage 3: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team added to any applicable Maine Downtown Center Bonus. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

I. MAINE DOWNTOWN CENTER ASSISTANCE (Limited to the City of Gardiner)

The Maine Downtown Center Assistance (MDCA) provides funding to support activities undertaken by the Maine Downtown Center on behalf of communities addressing critical needs in established downtown areas.

1. Special Threshold Criteria and Certifications: MDCA funds will be distributed through a set aside of CDBG funds provided to the City of Gardiner as the lead community. The lead community will establish a legally binding contract with the Maine Downtown Center as approved by OCD.

(a) Eligible Activities:

(i) Eligible activities under the MDCA are planning, capacity building, technical assistance and administration directly related to furthering the Maine Downtown Center's objectives in building vibrant, sustainable Maine downtowns. Assistance will be available to Main Street Maine communities as well as communities not currently so designated. Assistance will be made available as determined by the Maine Downtown Center and OCD.

(b) Communities Ineligible for MDCA Assistance:

(i) The entitlement communities of Auburn, Bangor, Biddeford, Lewiston, Portland and all of Cumberland County with the exception of Brunswick and Frye Island are not eligible for financial assistance under the MDCA.

2. Maximum Administrative Costs:

(a) The City of Gardiner is allowed a maximum of \$1,000 in administrative funding.

3. Special Program Requirements:

(a) Maximum MDCA Grant Amount: \$175,000.

J. URGENT NEED GRANT PROGRAM

The Urgent need Grant (UN) Program provides funding to communities to address serious and immediate threats to health and welfare which are declared state or federal disasters.

1. Special Threshold Criteria and Certifications:

- (a) Project Eligibility: Pursuant to Section 104 (b) 3 of the Housing and Community Development Act of 1974, as amended, the applicant must address a community development need which:
 - (i) poses a serious and immediate threat to the health or welfare of the community;
 - (ii) originated or became a direct threat to public health and safety no more than 18 months prior to submission of the application;
 - (iii) is a project the applicant cannot finance on its own. "Cannot finance on its own" means, that the town's tax burden, regulatory structure, utility user fees, bonding capacity, or previous or existing budgetary commitments, precludes it from assuming the additional financial obligation needed for this project; and
 - (iv) cannot be addressed with other sources of funding.

2. Special Program Requirements:

- (a) Necessary Documentation: The emergency situation must require immediate action to alleviate the serious and imminent threat of injury or loss of life resulting from a natural or man-made cause.
- **(b) State or Federal Declaration of Disaster:** The applicant must submit documentation that the project to be assisted with UN funds will take place in an area that has received a state or federal declaration of disaster. In addition, the activities to be assisted must be a direct result of the event leading to the declaration.
- **(c) Application Submittal:** Applicants must submit a complete UN application that includes all required information and documentation.
- **3. Selection Process:** The selection process will consist of two phases: an application phase and a project development phase.

Application: An UN application must include the following:

- (a) documentation that the emergency situation was prompted by natural or man-made causes that pose an imminent threat of injury or loss of life;
- **(b)** certification that the proposal is designed to address an urgent need and an immediate response is required to halt the threat of injury or loss of life;
- **(c)** information regarding when the urgent need condition occurred or developed into a threat to health and safety;
- **(d)** evidence confirming the applicant is unable to finance implementation on its own; and,
- **(e)** documentation that other financial resources are not available to implement the proposal.
- (f) a copy of a state or federal declaration of disaster.
- **4. Phase II Project Development:** Prior to consideration of a grant award, all UN proposals must meet the four Threshold criteria and the Special Program requirements. Project Development Phase applications must comply with the following:
 - (a) Project Planning: Details of the project including engineering, cost analysis, feasibility, and structural analysis as necessary.
 - **(b) Management Plan:** Details of the structure and methods established by the community for program management.
 - **(c) Regulations:** Project Development Phase applications will be reviewed for compliance with State and Federal regulations.
- **5.** Approval Process: Applications will be accepted on a first-come first-served basis. Following receipt of an application, OCD shall review the application and verify that it contains all the required information. Eligible planning activities necessary to complete the Project Development Phase may be included in the UN grant total. Notification to the applicant of the Office of Community Development's decision will initiate the Project Development Phase process necessary for contract award.

A. ECONOMIC DEVELOPMENT PROGRAM

The Economic Development program (EDP) provides communities with <u>gap</u> funding to assist identified businesses in the creation/retention of jobs for low-and moderate-income persons.

1. Eligible EDP Activities and Maximum Grant and Loan Awards:

(a) Activity Breakdown: Applicants may apply in only one specific <u>grant</u> activity group. Applicants for Activity Group Number 2 below may also utilize the DF Loan Activity for the same project but are limited to a total of \$400,000 in EDP assistance.

Activity Group Numbers

Maximum Award

\$400,000

- 1) Grants to Municipalities: for acquisition, relocation, demolition, clearance, construction, reconstruction, installation and rehabilitation associated with public infrastructure projects such as water and sewer facilities, flood and drainage improvements, publicly-owned commercial and industrial buildings, parking, streets, curbs, gutters, sidewalks, etc. All public infrastructure must be owned by the municipality or public or private utility and be in support of an identified business.
- 2) Grants to Municipalities for Direct Business Support: \$200,000 for non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings, working capital and capital equipment.
- 3) Development Fund Loan (DF): for acquisition of \$300,000 existing facilities, land and site improvements necessary for the construction of a new facility, rehabilitation or construction of commercial or industrial buildings, structures, non-capital equipment, capital equipment, working capital and real property improvements. The Office of Community Development, at its discretion, may waive the repayment terms once the LMI benefit has been documented.

Economic Development Program funds cannot be used to refinance existing debt.

2. Threshold Criteria:

(a) Project Benefit: All projects must document that at a minimum, 51% of all jobs created or retained as a result of the funded activity must be taken/held by persons of low and moderate income as defined by HUD. Jobs created/retained must be in the community applying for the EDP award, new jobs to that community and not associated with any other branches of the assisted business located in another

community. Transfer positions cannot be counted toward the job creation/retention requirements. In the event that job creation requirements are not met, the applicant community will be responsible for immediate repayment to DECD of all CDBG funds expended on the project.

- **(b) Program Dollars per Job:** The maximum CDBG participation per job created or retained with EDP funds is \$30,000.
- (c) Full Time permanent Jobs: In determining CDBG National Objective compliance with jobs created or retained only Permanent jobs may be counted; temporary jobs may not. Full time jobs require a worker to work at least 1750 hours per year. Part time jobs require a worker to work at least 875 hours but less than 1750 hours per year. Part-time jobs must be converted to Full Time Equivalents (FTE). An FTE is defined as two part time jobs. Seasonal jobs may count only if the seasonal job lasts long enough and provides sufficient income to be considered the employee's principal occupation. (Contact OCD prior to counting seasonal jobs towards LMI benefit.) All permanent jobs created by the project must be counted, regardless of funding source(s). Jobs indirectly created by the project (i.e., remote location, "trickle down" jobs) do not count.
- (d) Minimum EDP Application Amount: \$50,000
- **(e) Maximum Project Size for Utilizing EDP Funds: \$5,000,000**Phasing of projects to make the total cost appear to be below the maximum project size is expressly forbidden.
- **(f)** All EDP activities must be in support of an identified business; speculative activities are prohibited.

3. Program Requirements:

- (a) EDP Letter of Intent Due Dates for Activity Group Numbers 1-2 ONLY: Due the first Friday of every month by 4:00 p.m. If that day is a recognized State Holiday the due date would then be the following regular business day by 4:00 p.m.
- **(b) EDP Application Due Dates for Activity Group Numbers 1-2 ONLY:** By invitation only as a result of accepted Letter of Intent.
- (c) EDP Application Due Dates for Activity Group Number 3 ONLY: Due the first Friday of every month by 4:00 p.m. If that day is a recognized State Holiday the due date would then be the following regular business day by 4:00 p.m.
- (d) Necessary and Appropriate: EDP assistance to a business must be for projects that are necessary and appropriate. The application must describe the need for program assistance, reasonableness of the amount requested, the repayment plan (DF only), and assurance that the assistance provided is commensurate with the community benefits that will accrue from the project. Documentation must be provided that the project cannot proceed without program participation and that program funds provide gap financing.

- (e) Compliance with Benefit Certification Requirements: The business and the applicant community, under the direction of the Program Manager assigned to the project, must comply with documentation requirements for jobs created/jobs retained on a project including but not limited to benefit surveys, income verification and periodic reporting that the Office of Community Development may require.
- (f) EDP Matching Funds Requirements: Communities applying for Economic Development Program funds must certify that a 100% cash match of the total EDP award will be provided. Matching funds must be directly related to the activities undertaken with EDP funding.
- (g) Exclusions: Communities receiving an EDP award may not receive any other EDP award for the same project or business during the same program year or for the same project or business from a prior program year that has not met final closeout status.
- (h) EDP Projects in Support of Retail Businesses: OCD may accept an EDP application in support of a <u>retail</u> business activity only under the following limited conditions:
 - (i) The retail business represents the provisions of new products and services previously unavailable in the community or is a tourism-related business; and
 - (ii) The development or expansion of the retail business represents a net economic gain for the community and the region. Applications supporting a retail business or businesses are required to certify that the development represents a new overall gain for the region's economy and not a shift from existing established businesses to a new or expanded one; and
 - (iii) The retail business is located in either a downtown district meeting the definition of PL 776; or a designated local growth area contained in an adopted and consistent comprehensive plan; and
 - (iv) At least 50% of the jobs created by the retail business must be full time jobs.

4. Special Program Requirements for Grants to Municipalities then Loaned to an Identified Business (Activity Group 3 only):

- (i) Loan: The DF program is a grant to the unit of general local government. The recipient must use the funds as a loan to the identified business. The loan must be provided under the terms stated in a DF Program Letter of Commitment and the contract between the DECD, the community and the business.
- (ii) Repayment Terms: Justification for the repayment terms relate to filling the financing gap, identifying the rate of return allowed through the repayment terms, or specifying the cost differentiations and the

benefit derived from the assistance and must be approved by the DECD. The interest rate for Development Fund loans is up to 5% for a term not to exceed 10 years. The Office of Community Development, at its discretion, may waive the repayment terms once the LMI benefit has been documented.

5. Selection Process for Activity Groups 1 and 2: The selection process will consist of three phases, a letter of intent (does not apply to the Development Fund Loan activity), an application phase and a project development phase.

6. Review Team Analysis - 100 Points

Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. The following criteria will be used:

a. <u>Problem Statement (40 points)</u> - Describe the problem facing the community/business as it relates to job creation/retention activities and document why the community/business is unable to finance the proposed project on its own, or with available assistance from other sources.

Scope of Problem (15 points)

- Detail the problems or needs facing the community/business to be assisted.
- Tell how these problems relate to job creation or job retention activities.
- Describe how the overall financial viability of the community/business is affected by the problems or needs.

Impact on Community and Region (10 points)

- Identify how employment opportunities for persons of low/moderate income are negatively affected by the identified problems.
- Emphasize the importance of the affected business in relation to the stability of the community/region and its current financial well being including property tax analysis before and after the proposed activities.

Need for Funds (15 points)

- Identify reasons why the community/business is unable to finance the proposed project on its own, or with assistance from other sources.
- Include a narrative that highlights any recent efforts by the community/business to assist job creation/retention activities.
- **b.** <u>Proposed Solution (40 points)</u> Describe the activities that will be undertaken with EDP funds to resolve the stated problem/need, how the project will proceed to completion within 12 months from the date of a contract award with the DECD and the effect the project will have on the ability of the business to create/retain quality jobs for LMI persons.

Project Description (15 points)

- Detail the activities that the community/business will undertake using EDP funds to resolve the problems/needs presented in the Problem Statement.
- Identify, in detail, the <u>specific</u> acquisition, equipment, real property improvements and/or fixtures that will be installed, modified, and upgraded, etc., with EDP funds.
- Explain how the solution directly solves the identified problems/needs.
- Include a firm figure of the number of jobs to be created or retained as a result of the project, and how these jobs relate to persons of low/moderate income.
- Clearly state the amount of EDP funds sought and how they will fit into the overall financing for the project.
- Include a graphic description (aerial photo, map, and sketch) of the sites involved. Provide a generalized location of the site relative to the community and a copy of a floodplain map showing the project location. Include existing and proposed site and/or building improvements.

Effect on Assisted Business (15 points)

- Describe the effect the EDP award and completion of the project, as a whole, will have on the ability of the community/business to remain competitive, and create/retain quality jobs.
- Describe the market including identification of competitors, price structure, resource availability, operating/manufacturing costs, transportation costs, demand, and other factors influencing the marketability of the product or service proposed. Also identify all project risks and the extent of the risks.

Project Timeline and Feasibility (10 points)

- Describe how the project is assured of successful completion within 12 months.
- Identify what work, such as pre-engineering, construction and improvements, or fixture purchases that have been completed, or are in process, and exactly how these relate to the proposed EDP project.
- Provide background information (including resumes) for the owners and/or managers of the business and specific information about the skills and experiences of the owners and/or managers as related to the successful management of the business and proposed project.
- Include a concise timetable for project implementation.
- c. <u>Citizen Participation (20 Points)</u> Describe how business groups, local citizens, community groups and others were involved in the identification of the problems/needs and solutions discussed in the application. Local citizens, groups, boards, agencies, etc. are essential to any successful project. It is important that you show how these various groups were involved in bringing problems or needs to the attention of the community. The OCD views the involvement of local citizens in

focusing on problems/ and solutions as a key element in a successful program application as well as in successful implementation of a project. Review is divided into two areas. Following each area are topics, information, or ideas that must be included in Citizen Participation.

Public Hearing Process (10 points)

Describe how citizen participation contributed to the actual development of this
application, including how the required public hearing contributed to the process.
 (Submit a public hearing record consisting of the published public hearing
notice, hearing minutes, and attendance list with the original and all three
copies of the application.)

Business/Local Involvement (10 points)

- Outline other input from businesses, chambers of commerce, development organizations, local groups and individuals have had in increasing the citizen participation process for the proposed project.
- Highlight how the use of any media (TV, radio, newspapers, etc.) increased public awareness and participation in the EDP project.
- **d. Final Application Score** Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team added to the Numerical Analysis and applicable Priority Area Bonus. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.
- 7. Review Process for Activity Group 3 (DF Loan): Each application for DF assistance will be submitted through an OCD Development Fund Loan Application and must include all attachments required in the 2012 application directions.

Completed applications will be reviewed by the Review Team who will make a recommendation to the Commissioner of Economic and Community Development. The following criteria will be considered during the application phase:

- (i) Detailed description of project being financed.
- (ii) Detail of the sources and uses (include itemized description of work and costs) of all financing.
- (iii) Business' Federal tax return for the previous three years and/or complete accountant prepared financial statements (income statement and balance sheet and notes).
- (iv) Interim financial statements (if the most recent financial information is older than 90 days).
- (v) Personal Financial Statement and Federal Income Tax Returns of all owners and guarantors with 20% or more ownership.
- (vi) One-year pro forma balance sheet, income statement and monthly cash flow statement with supporting assumptions.

- (vii) Copies of signed commitment letter from other financing sources as applicable.
- (viii) Completed Employment Plan.
- (ix) Supplemental information such as collateral appraisals, marketing plans, resumes, site assessments, and aging of accounts receivable/payable may be requested by OCD. If these materials are readily available they should be included with the application package.
- (x) Priority Areas DF Applications assisting a business located in an identified Empowerment Zone, HUB Zone or a labor market area with an unemployment rate exceeding the state average by at least 50% will receive priority for funding.
- **8. Project Development Phase:** The project development phase must be completed within 3 months from the date of award. The goal of this phase is a grant contract for CDBG funds. During this phase an OCD Development Program Manager will be assigned to work with the community to finalize their project. OCD reserves the right to rescind the CDBG program award of the community is not under contract within this time. The Office of Community Development may grant waivers for just cause.

B. COMMUNITY ENTERPRISE GRANT PROGRAM

The Community Enterprise Grant (CE) Program provides grant funds to assist in innovative solutions to problems faced by micro-businesses, promote business façade programs and make streetscape improvements in downtown and village areas. Assistance to businesses may be in the form of grants or loans at the discretion of the community.

1. Threshold Criteria and Program Requirements: CE Program funds will be distributed through an annual grant application selection process.

(a) Eligible Activities:

Eligible activities under the Micro-Enterprise Grant/Loan category are grants or loans to for-profit businesses, façade grants to for-profit or non-profit businesses for exterior improvements, including signage, painting, siding, awnings, lighting, display windows and other approved exterior improvements (interior improvements are not allowed) and streetscapes including pocket parks, benches, street lighting, tree plantings, signage, traffic calming improvements, sidewalks and other approved improvements; eligible planning activities necessary to complete the Project Development Phase. Sewer, water, storm drainage, parking, roads or streets and other infrastructure improvements and buildings solely for residential use are not eligible. All streetscape improvements must take place on publicly owned property.

- **(b) Downtown Revitalization Program Prohibition -** Communities applying for a CE grant may not apply for, receive, or benefit from a Downtown Revitalization Program (DR) grant in the same program year.
- (c) Maximum CE Grant Amount: \$150,000 Applicants may apply to address one or any combination of eligible activities listed in Section B (1) (a) above but are limited to a total of \$150,000 in CE funds.
- (d) Maximum Amount of Community Enterprise Grant/Loan Assistance to Businesses: \$25,000

(e) Project Benefit:

- (i) Micro-Enterprise Grant/Loan: Existing or developing businesses that have, or will have five or fewer employees, one of whom owns the enterprise, and whose family income is LMI will meet the project benefit. Employees are not considered in meeting project benefit.
- (ii) Business Facade Grants: Project benefit will be met when exterior improvements and signage on an existing business take place in a designated slum/blight area, or documentation exists that a business qualifies under a spot blight basis.

(iii) Streetscapes: Project benefit will be met when streetscapes take place in a designated slum/blight area or the applicant community where the project will take place is 51% or greater LMI as determined by HUD and the U.S. Census.

2. Special Program Requirements

Demonstration of National Objective: Applicants must demonstrate that the project meets the National Objective of 1) benefiting 51% or greater low/moderate income persons, 2) preventing or eliminating slum or blighting conditions, or 3) existing or developing businesses that have, or will have five or fewer employees, one of whom owns the enterprise, and whose family income is LMI. Census information, a certified target area survey, an officially adopted declaration of slum/blight conditions conforming to the requirements of MRSA Title 30-A, Chapter 205, 5202 and HUD, or assurances of spot blight designation or micro-enterprise eligibility must be submitted to OCD. These demonstrations must be made as part of the Letter of Intent and Verification of CDBG National Objective submitted to OCD on or before 4:00pm on Friday February 10, 2012.

- **3. Selection Process:** The selection process will consist of three phases; a letter of intent, an application phase and a project development phase.
 - (a) Letter of Intent and Verification of CDBG National Objective: All communities wishing to submit a CE application must submit a Letter of Intent and Verification of CDBG National Objective to OCD on or before 4:00PM on Friday February 10, 2012 according to the requirements set forth in the 2012 CE application package.
 - **(b) Application:** The maximum length of an application is **four pages**, **not counting required attachments**. The application deadline for the CE Program is 4:00PM on March 30, 2012. Each application will be rated in relation to all others in a two-stage process.
 - <u>Stage 1: Review Team Analysis</u> Members of the Review Team will assign a Point Total for each application reviewed. Point Totals will consist of the sum of the three scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

(i) <u>Impact</u> (40 points):

- *State the problems then present the scope and magnitude of the identified problems. 6 points
- *Explain how the problems negatively impact the local economy and the viability of existing downtown or village area. 8 points

- *Clearly define how the problems negatively affect LMI persons and/or contribute to slum/blight conditions.

 10 points
- *Describe the obstacles to overcoming the identified problems. 6 points
- *Explain why CE funds are necessary for the project; describe efforts to secure other grant or loan funds, and tell why they are not are available locally to assist businesses or local government with their development and site improvement needs. 10 points

(ii) <u>Development Strategy</u> (40 points):

- *List the specific activities to be undertaken in the project. For streetscapes include location, size and design features. 5 points
- *Identify the specific use of CE funds and the specific tasks or activities to be funded with each other source of funds.

 5 points
- *Provide Identification and description of potential business grant/loan applicants and their needs; **or** provide details of how areas in need of streetscape improvements were identified and prioritized. 5 points
- *Explain how the CE project will stimulate business in the downtown or village area and assist in improving the area's long-term viability. 6 points
- *Describe how the CE funded activities will have a positive impact on LMI persons and/or on alleviation of the slum/blight conditions. 6 points
- *Provide a project timeline; list activities or actions completed to date. 4 points
- *Describe the capacity and experience of the administrator to market and conduct a grant/loan program **or** streetscape improvement effort; and describe how CE funds will be expended in a timely manner. 5 points
- *Budget Summary Review 4 points

(iii) <u>Citizen Participation</u> (20 points):

- *Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation. 4 points
- *Relevance of listed meeting/hearing activities/comments (not counting required public hearing) and the overall citizen participation process in application and project development. 4 points

*Involvement of downtown and local businesses, Chambers of Commerce, development groups or other business related organizations in identification of problems and development of the application and project. – 4 points

*Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process. – 4 points

*How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments. – 4 points

<u>Stage 2: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

SECTION 4. PLANNING & SPECIAL PROJECTS

A. COMMUNITY PLANNING GRANT PROGRAM

The Community Planning Grant (CPG) Program provides funding to communities or community partnerships that have clearly identified a local community or economic development problem and lack the resources to develop a strategy for solving that problem.

- **1. Threshold Criteria and Certifications:** CPG funds will be distributed through a yearly grant application selection process.
 - (a) Eligible Activities: CPG funds may be used for planning only activities that will include studies, analysis, data gathering, preparation of plans and maps, and identifications of actions that will implement plans. Engineering, architectural, and design costs related to specific projects are not eligible.
 - **(b) Project Benefit:** The program activities must meet one of the CDBG Program's national objectives. The outcome of the planning activities, if implemented, must provide either a benefit to low- and moderate-income persons, or prevent or eliminate slum or blighting conditions.
 - **(c)** Use of CPG Funds for Comprehensive Planning: Communities designated as 51% or greater LMI by the 2000 U.S. Census and HUD may apply for CPG funds for completion of their local comprehensive plan which must conform to all State Planning Office standards and Maine State Law.

2. Special Program Requirements:

- (a) Maximum CPG Grant Amount: \$10,000
- **(b) Match:** All communities applying for CPG funds must certify that they will provide <u>a cash match equivalent to 25 percent</u> of the total grant award. This match may consist of all non-CDBG loans, grants, endowments, etc contributed to the project.
- **3. Selection Process:** The selection process will consist of two phases an application phase and a project development phase.
 - (a) Application: The maximum length of an application is four pages, not counting required attachments. Each application will be rated in relation to all others in a two-stage process.
 - <u>Stage 1: Review Team Analysis</u> Members of the Review Team will assign a Review Point Total for each application reviewed. Review Point Totals will consist of the sum of the four scoring areas below and be determined by the total of each sub-scoring area. A maximum of 100 points is obtainable.

(i) <u>Impact</u> (35 points):

*A description of the scope, magnitude and severity of the identified problems – 7 points

*How the problems were identified – 7 points

*Past efforts to deal with the identified problems – 7 points

*Impact of the problem on LMI persons or slum/blight conditions – 7 points

*Why CPG funds are critical for the project – 7 points

(ii) <u>Development Strategy</u> (35 points):

*A description of the planning tasks proposed to solve the identified problems; specific use of CPG funds – 8 points

*Project timeline, including a start date, tasks completed to date and how CPG funds will be expended within 12 months or less – 12 points

*How community partnerships including local government, citizens, agencies and local businesses will work together to develop effective solution strategies – 5 points

*How the planning efforts would lead to solution strategies that would benefit LMI persons or alleviate slum/blight conditions – 6 points

*Experience of the applicant community with planning projects – 4 points

(iii) <u>Project Leverage</u> (10 points):

*Budget Page review – 3 points

*Matching Funds Table review - 3 points

*% which firm cash commitments exceed minimum 25%

Up to 15% – 1 point

16% - 30% - 2 points

31% - 50% - 3 points

More than 50% – 4 points

(iv) <u>Citizen Participation</u> (20 points):

*How overall citizen participation process directly relates to identification of solution strategies and application development - 4 points

*Effective use of any media (newspapers, radio, TV, etc) to further public awareness and participation – 4 points

*Relevance of listed meeting/hearing activities/comments (not counting required public hearing) on application and project development – 4 points

*Involvement of potential LMI project beneficiaries in development of the application and project and how the required public hearing relates to the application development and citizen participation process – 4 points

How other local resources (cash and in-kind) are directly related to the project and the establishment of a cash value equivalent for all in-kind commitments – 4 points

<u>Stage 2: Final Application Score</u> – Each application will receive a Final Application Score consisting of the average of the scores assigned by members of the Review Team. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

B. TECHNICAL ASSISTANCE PROGRAM

The Technical Assistance Program provides funds to contract with regional organizations to provide TA for: application development, development of alternative funding sources, grant administration, and general program assistance to Maine's communities.

The Office of Community Development will use Technical Assistance funds to: conduct workshops, produce program materials, implement the CDBG Administrator's Certification Training Program, and outreach to communities.

C. SPECIAL PROJECTS MATCHING FUND

The Special Project Matching Fund (SPMF) provides matching funds to projects that are not funded through the normal CDBG application process. SPMF funds will be used for alternative OCD grant activities and partnerships that are consistent with the furtherance of community or economic development activities and CDBG National Objectives in the State of Maine. Submission of applications is by invitation of the Office of Community Development.

SECTION 5. REDISTRIBUTION OF GRANT FUNDS & PROGRAM INCOME

This section describes the methods by which undistributed funds, disencumbered funds, additional funds received from HUD, and program income will be redistributed.

A. ADMINISTRATIVE REDISTRIBUTION OF GRANT FUNDS

1. Local Government Grants from the State: Applicants receiving grants under the 2012 CDBG program but failing to have their projects substantially underway (staff hired, environmental review complete, program costs obligated, construction or services begun) within six months of grant award, may have their grant rescinded by DECD. Unexpended grant funds may be added to any open CDBG contract, used to make additional awards in any 2011 CDBG program, or added to the available monies for the 2012 or 2013 competition.

Unexpended funds remaining in the grantee's CDBG account at grant closeout, funds remaining in a grantee's award but not drawndown upon grant closeout, and funds returned to DECD because of disallowed costs may be added to any open CDBG contract, used to make additional awards in any 2011 CDBG program, or added to the available monies for the 2012 or 2013 competition.

- 2. Unallocated State Grants to Local Governments: Unallocated grant funds resulting from lack of adequate program competition or demand in any of the available 2011 CDBG programs may be added to any open CDBG contract, used to make additional awards in any 2011 CDBG program or added to the available monies for the 2012 or 2013 competition.
- **3. Basis for Redistribution:** The decision to redistribute funds will be made after staff evaluation of the following: the total funds available, requests for additional funding from current CDBG grantees and applicants for the 2012 competitions that did not receive funding.
- **4. Development Fund Program Repayments:** DF and DFHL loan repayments to DECD will be used to capitalize a revolving loan fund for the purpose of making additional DF and DFHL program awards.

B. PROGRAM INCOME

As used in this Proposed Statement, "Program Income" means the gross income received by a grantee from any grant-supported activity. Applicants will refer to the CDBG Regulations and the Maine Office of Community Development policies on program income.

Program Income shall also mean gross income received by DECD for repayment of loans under the DF and DFHL programs. Repayments from each program will be used to capitalize revolving loan funds to make additional future awards.

SECTION 6. APPEALS

An applicant wishing to appeal DECD's decision regarding their 2012 application may do so by submitting an appeal letter to the Commissioner of The Department of Economic and Community Development within fifteen (15) days of the award announcement for that specific program.

Appeals of award decisions are restricted to errors of fact or procedure. Appeals in the areas of judgment qualitative scoring will not be entertained. In the case of a successful appeal, funds will be reserved for the project from available or subsequent CDBG funds.

SECTION 7. AMENDMENTS TO THE PROGRAM STATEMENT

The State may amend the 2012 Program Statement from time to time in accordance with the same procedures required for the preparation and submission of the program statement. The State of Maine's Administrative Procedures Act will guide the amendment process.

2012 Community Evaluation Factor Scores

Abbot	11	Blue Hill	15	Castle Hill	8
Acton	12	Boothbay	8	Caswell	11
Addison	9	Boothbay Harbor	13	Chapman	6
Albion	8	Bowdoin	8	Charleston	10
Alexander	11	Bowdoinham	5	Charlotte	12
Alfred	8	Bowerbank	11	Chelsea	8
Allagash	12	Bradford	9	Cherryfield	11
Alna	9	Bradley	7	Chester	11
Alton	9	Bremen	5	Chesterville	10
Amherst	12	Brewer	12	China	7
Amity	11	Bridgewater	10	Clifton	7
Andover	8	Brighton	8	Clinton	10
Anson	11	Bristol	8	Columbia	10
Appleton	10	Brooklin	6	Columbia Falls	10
Arrowsic	2	Brooks	7	Cooper	13
Arundel	5	Brooksville	4	Coplin	9
Ashland	15	Brownfield	8	Corinna	9
Athens	10	Brownville	10	Corinth	7
Atkinson	9	Brunswick	12	Cornish	9
Augusta	13	Buckfield	8	Cornville	7
Aurora	13	Bucksport	10	Cranberry Isles	7
Avon	9	Burlington	11	Crawford	7
Baileyville	12	Burnham	11	Crystal	11
Bancroft	15	Buxton	6	Cushing	8
Bar Harbor	14	Byron	12	Cutler	9
Baring	10	Calais	15	Cyr	11
Bath	14	Cambridge	10	Dallas	7
Beals	7	Camden	12	Damariscotta	15
Beaver Cove	13	Canaan	10	Danforth	13
Beddington	15	Canton	10	Dayton	5
Belfast	13	Caratunk	7	Deblois	15
Belgrade	7	Caribou	13	Dedham	6
Belmont	7	Carmel	7	Deer Isle	9
Benton	7	Carrabassett Valley	7	Denmark	7
Berwick	7	Carroll	9	Dennistown	1
Bethel	17	Carthage	11	Dennysville	10
Bingham	11	Cary	10	Detroit	11

Blaine	7	Castine	6	Dexter	16
Dixfield	9	Georgetown	3	Jackman	16
Dixmont	9	Gilead	12	Jackson	10
Dover-Foxcroft	15	Glenburn	6	Jay	12
Dresden	7	Gouldsboro	8	Jefferson	7
Drew	4	Grand Isle	10	Jonesboro	10
Durham	4	Grand Lake Stream	7	Jonesport	8
Dyer Brook	5	Great Pond	11	Kenduskeag	7
Eagle Lake	11	Greenbush	10	Kennebunk	6
East Machias	9	Greene	6	Kennebunkport	3
East Millinocket	13	Greenville	16	Kingfield	11
Eastbrook	13	Greenwood	9	Kittery	10
Easton	10	Guilford	16	Knox	8
Eastport	17	Hallowell	9	Lagrange	10
Eddington	6	Hamlin	5	Lake View	14
Edgecomb	5	Hammond	11	Lakeville	8
Edinburg	3	Hampden	5	Lamoine	9
Eliot	7	Hancock	10	Lebanon	10
Ellsworth	13	Hanover	8	Lee	11
Embden	12	Harmony	10	Leeds	8
Enfield	10	Harrington	12	Levant	6
Etna	9	Hartford	10	Liberty	10
Eustis	13	Hartland	11	Limerick	9
Exeter	8	Haynesville	14	Limestone	14
Fairfield	13	Hebron	7	Limington	8
Farmingdale	11	Hermon	5	Lincoln	15
Farmington	15	Hersey	9	Lincoln plantation	11
Fayette	10	Highland	14	Lincolnville	8
Fort Fairfield	8	Hiram	9	Linneus	9
Fort Kent	13	Hodgdon	9	Lisbon	9
Frankfort	9	Holden	5	Litchfield	8
Franklin	9	Hollis	6	Littleton	8
Freedom	10	Норе	7	Livermore	9
Frenchboro	7	Houlton	15	Livermore Falls	9
Frenchville	9	Howland	9	Lovell	10
Friendship	5	Hudson	7	Lowell	8
Fryeburg	8	Industry	10	Jackman	16
Gardiner	10	Island Falls	12	Jackson	10
Garfield Plantation	9	Isle au Haut	10	Jay	12
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Garland	10	Islesboro	7	Jefferson	7
Jonesboro	10	Lagrange	10	Mattawamkeag	12
Jonesport	8	Lake View	14	Maxfield	12
Kenduskeag	7	Lakeville	8	Mechanic Falls	8
Kennebunk	6	Lamoine	9	Meddybemps	10
Kennebunkport	3	Lebanon	10	Medford	12
Kingfield	11	Lee	11	Medway	12
Kittery	10	Leeds	8	Mercer	8
Knox	8	Levant	6	Merrill	7
Lagrange	10	Liberty	10	Mexico	14
Lake View	14	Limerick	9	Milbridge	18
Lakeville	8	Limestone	14	Milford	11
Lamoine	9	Limington	8	Millinocket	18
Lebanon	10	Lincoln	15	Milo	11
Lee	11	Lincoln plantation	11	Minot	5
Leeds	8	Lincolnville	8	Monhegan	7
Levant	6	Linneus	9	Monmouth	8
Liberty	10	Lisbon	9	Monroe	8
Limerick	9	Litchfield	8	Monson	12
Limestone	14	Littleton	8	Monticello	10
Limington	8	Livermore	9	Montville	10
Lincoln	15	Livermore Falls	9	Moose River	9
Lincoln plantation	11	Lovell	10	Moro	5
Lincolnville	8	Lowell	8	Morrill	8
Linneus	9	Lubec	16	Moscow	12
Lisbon	9	Ludlow	9	Mount Chase	11
Litchfield	8	Lyman	8	Mount Desert	8
Littleton	8	Machias	14	Mount Vernon	7
Livermore	9	Machiasport	9	Nashville	12
Livermore Falls	9	Macwahoc	11	New Canada	8
Lovell	10	Madawaska	15	Meddybemps	10
Lowell	8	Madison	10	Medford	12
Jonesboro	10	Magalloway	11	Medway	12
Jonesport	8	Manchester	3	Mercer	8
Kenduskeag	7	Mapleton	8	Merrill	7
Kennebunk	6	Mariaville	10	Mexico	14
Kennebunkport	3	Mars Hill	10	Milbridge	18
Kingfield	11	Marshfield	5	Milford	11
Kittery	10	Masardis	13	Millinocket	18

V-a a	0	N. f	10	3.6:1	11
Knox	8	Matinicus Isle	13	Milo	11
Minot	5	Orland	7	Ripley	9
Monhegan	7	Orono	12	Robbinston	11
Monmouth	8	Orrington	4	Rockland	15
Monroe	8	Osborn	14	Rockport	9
Monson	12	Otis	10	Rome	9
Monticello	10	Otisfield	9	Roque Bluffs	10
Montville	10	Owls Head	6	Roxbury	9
Moose River	9	Oxbow	13	Rumford	17
Moro	5	Oxford	15	Sabattus	8
Morrill	8	Palermo	8	Saco	11
Moscow	12	Palmyra	10	Sandy River	9
Mount Chase	11	Paris	14	Sanford	15
Mount Desert	8	Parkman	10	Sangerville	11
Mount Vernon	7	Parsonsfield	9	Searsmont	9
Nashville	12	Passadumkeag	10	Searsport	10
New Canada	8	Patten	10	Sebec	11
New Limerick	11	Pembroke	12	Seboeis	12
New Portland	11	Penobscot	6	Sedgwick	9
New Sharon	9	Perham	10	Shapleigh	9
New Sweden	9	Perry	12	Sherman	10
New Vineyard	8	Peru	10	Shirley	11
Newburgh	6	Phillips	12	Sidney	6
Newcastle	9	Phippsburg	6	Skowhegan	18
Newfield	10	Pittsfield	14	Smithfield	9
Newport	15	Pittston	6	Smyrna	12
Newry	10	Pleasant Ridge	13	Solon	10
Nobleboro	7	Plymouth	9	Somerville	8
Norridgewock	12	Poland	6	Sorrento	7
North Berwick	8	Portage Lake	13	South Berwick	6
North Haven	8	Porter	7	South Bristol	6
Northfield	7	Presque Isle	13	South Thomaston	8
Northport	7	Princeton	12	Southport	7
Norway	15	Prospect	7	Southwest Harbor	15
Oakfield	12	Randolph	10	Springfield	10
Oakland	11	Rangeley	17	St. Agatha	10
Ogunquit	7	Rangeley Plantation	10	St. Albans	11
Old Orchard Beach	, 11	Readfield	6	St. Francis	10
Old Town	10	Reed	12	St. George	5
Old TOWII	10	Neeu	14	or. George	9

Orient	12	Richmond	7	St. John	8
Stacyville	13	Wade	9	Winterville	13
Starks	9	Waite	10	Winthrop	7
Stetson	11	Waldo	9	Wiscasset	7
Steuben	12	Waldoboro	9	Woodland	8
Stockholm	9	Wales	6	Woodstock	10
Stockton Springs	9	Wallagrass	10	Woodville	10
Stoneham	11	Waltham	9	Woolwich	7
Stonington	11	Warren	7	York	3
Stow	8	Washburn	9		
Strong	10	Washington	9		
Sullivan	9	Waterboro	9		
Sumner	10	Waterford	11		
Surry	7	Waterville	15		
Swans Island	9	Wayne	6		
Swanville	11	Webster	14		
Sweden	13	Weld	10		
Talmadge	7	Wellington	10		
Temple	8	Wells	8		
The Forks	6	Wesley	14		
Thomaston	14	West Bath	6		
Thorndike	10	West Forks	8		
Topsfield	12	West Gardiner	7		
Topsham	9	West Paris	10		
Tremont	9	Westfield	7		
Trenton	11	Westmanland	9		
Troy	10	Weston	14		
Turner	5	Westport	6		
Union	9	Whitefield	8		
Unity	9	Whiting	8		
Upton	10	Whitneyville	9		
Van Buren	15	Willimantic	14		
Vanceboro	12	Wilton	9		
Vassalboro	7	Windsor	7		
Veazie	6	Winn	11		
Verona	5	Winslow	11		
Vienna	7	Winter Harbor	7		
Vinalhaven	7	Winterport	6		

THIS MATERIAL IS AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST

BY CONTACTING:

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AUGUSTA, MAINE 04333-0059
TELEPHONE (207) 624-7484
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